

Message Text

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PAGE 01 STATE 095765
ORIGIN EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 STR-04 TRSE-00 COME-00
SIG-01 AID-05 CEA-01 CIAE-00 FRB-03 INR-07 IO-13
NEA-10 NSAE-00 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01
USIE-00 INRE-00 OES-06 INT-05 L-03 AGR-05 /102 R

DRAFTED BY EB/OT/TA:RAMEYER:PRM
APPROVED BY EB/OT:WBARRACLOUGH
STR:RHEIMLICH (SUBS)
TREAS:FVUKMANIC (SUBS)
COMMERCE:FABBUHL (SUBS)
EUR/RPE:ECASEY (SUBS)
EA/J:DSMITH (SUBS)
EB/TA:DDUNFORD

-----281629Z 029363 /50

O R 281433Z APR 77
FM SECSTATE WASHDC
TO USMISSION EC BRUSSELS IMMEDIATE
AMEMBASSY TOKYO IMMEDIATE
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: ETRD, EEC, JA
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SUBJECT: STATEMENT FOR THE MAY 2 OECD COUNCIL MEETING:
STEEL

REFS: (1) EC 4059, (2) EC 4057

1. ACTION ADDRESSEES SHOULD PROVIDE COMMISSION AND GOJ

FOR COMMENT FOLLOWING DRAFT US STATEMENT TO BE MADE IN
OECD COUNCIL MEETING MAY 2. COMMENTS SHOULD BE TRANSMITTED
BY 12:00 NOON, WASHINGTON TIME, APRIL 29.

2. BEGIN TEXT: THE EFFECTS OF WORLD WIDE RECESSION AND
SLUGGISH ECONOMIC RECOVERY HAVE BEEN FELT WITH PARTI-
CULAR SEVERITY IN THE STEEL INDUSTRY. LOW CAPACITY
UTILIZATION RATES, DOWNWARD PRESSURE ON PRICES AND
GROWING UNEMPLOYMENT IN THE STEEL SECTOR OF MANY MEMBER
COUNTRIES HAS POTENTIALLY FAR REACHING EFFECTS ON DOMESTIC
ECONOMIES AND WORLD TRADE. STEEL IS BASIC TO THE WORLD
ECONOMY. IN ANALYZING THE INDUSTRY SITUATION AND SEEKING
SOLUTIONS, THE EXISTENCE OF IMPORTANT MULTILATERAL ASPECTS
MUST BE KEPT IN MIND. WE BELIEVE THE OECD COUNTRIES
WOULD GREATLY BENEFIT FROM A COMMON UNDERSTANDING OF
WORLD STEEL PROBLEMS. WE THEREFORE PROPOSE THAT AN AD
HOC GROUP TO EXAMINE THE STEEL SECTOR BE FORMED AND THAT
THE SECRETARIAT CARRY OUT PREPARATORY STUDIES FOR THE USE
OF THAT GROUP IN ITS WORK. WE WOULD EXPECT THAT THE
SECRETARIAT STUDIES WOULD COVER PRODUCTION AND CON-
SUMPTION OF VARIOUS STEEL PRODUCTS IN THE OECD COUNTRIES,
CAPACITY UTILIZATION, MARKETING POLICIES AND PRICE LEVELS
BOTH ON DOMESTIC AND FOREIGN MARKETS. WE UNDERSTAND
THAT STUDIES ALONG A SIMILAR LINE ARE ALREADY UNDERWAY
IN THE SECRETARIAT AT THE DIRECTION OF SECRETARY
GENERAL VAN LENNEP, SO THAT RESULTS SHOULD BE AVAILABLE
BY THE END OF MAY. WE SUGGEST THAT MEMBERS WISHING
TO PARTICIPATE IN THE AD HOC GROUP, IF UNABLE TO
COMMIT THEMSELVES AT THIS TIME, INFORM THE SECRETARY
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GENERAL OF THEIR DESIRE TO JOIN THE GROUP WITHIN
THE NEXT FEW DAYS. WE WOULD SUGGEST THAT THE FIRST
MEETING OF THE GROUP TAKE PLACE UPON COMPLETION OF
THE SECRETARIAT STUDIES. IF MEMBERS AGREE TERMS OF
REFERENCE FOR THE GROUP COULD BE WORKED OUT IN CON-
SULTATIONS BETWEEN THE MEMBERS AND THE SECRETARY GENERAL
WHILE AWAITING COMPLETION OF THE STUDIES. END TEXT.

3. EMBASSY TOKYO SHOULD INFORM JAPANESE THAT DURING
US-EC BILATERAL CONSULTATIONS APRIL 20-21 THE EC COM-
MISSION AGREED TO FORMATION OF AN AD HOC GROUP AS
PROPOSED ABOVE AND WE INCORPORATED EC'S SUGGESTION THAT
FIRST MEETING OF SUCH A GROUP BE PRECEDED BY A
SECRETARIAT STUDY. WE ALSO AGREED THAT THE US, EC
AND JAPAN WOULD MEET TO WORK OUT THE TERMS OF REFERENCE
FOR THE AD HOC GROUP.

4. JOURNAL OF COMMERCE OF WEDNESDAY, APRIL 27 REPORTED
THAT US, EC, JAPAN WOULD SEEK AN OECD STUDY OF WORLD

STEEL TRADE TO BE CONSIDERED BY AN AD HOC OECD GROUP.
THE JOURNAL'S REPORT IS INCORRECT IN STATING THAT THE
AD HOC GROUP WOULD BE RESPONSIBLE TO THE OECD'S TRADE
COMMITTEE (OUR PREFERENCE IS FOR THE GROUP TO REPORT
DIRECTLY TO THE COUNCIL).

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INFO OCT-01 IO-13 ISO-00 /021 R

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DRAFTED BY: EB/OT/TA: TGWESTON: JVM
APPROVED BY: OT/TA: DJDUNFORD

-----111613Z 018045 /40

R 111509Z MAY 77

FM SECSTATE WASHDC
TO USDEL MTN GENEVA

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FOLLOWING REPEAT STATE 95765 ACTION USMISSION EC BRUSSELS
TOKYO BONN BRUSSELS COPENHAGEN DUBLIN LONDON LUXEMBOURG
PARIS ROME THE HAGUE OEC D PARIS APRIL 29.

QUOTE

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E.O. 11652: N/A

TAGS: ETRD, EEC, JA

SUBJECT: STATEMENT FOR THE MAY 2 OECD COUNCIL MEETING:
STEEL

REFS: (1) EC 4059, (2) EC 4057

1. ACTION ADDRESSEES SHOULD PROVIDE COMMISSION AND GOJ
FOR COMMENT FOLLOWING DRAFT US STATEMENT TO BE MADE IN
OECD COUNCIL MEETING MAY 2. COMMENTS SHOULD BE TRANSMITTED
BY 12:00 NOON, WASHINGTON TIME, APRIL 29.

2. BEGIN TEXT: THE EFFECTS OF WORLD WIDE RECESSION AND SLUGGISH ECONOMIC RECOVERY HAVE BEEN FELT WITH PARTI-LIMITED OFFICIAL USE

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CULAR SEVERITY IN THE STEEL INDUSTRY. LOW CAPACITY UTILIZATION RATES, DOWNWARD PRESSURE ON PRICES AND GROWING UNEMPLOYMENT IN THE STEEL SECTOR OF MANY MEMBER COUNTRIES HAS POTENTIALLY FAR REACHING EFFECTS ON DOMESTIC ECONOMIES AND WORLD TRADE. STEEL IS BASIC TO THE WORLD ECONOMY. IN ANALYZING THE INDUSTRY SITUATION AND SEEKING SOLUTIONS, THE EXISTENCE OF IMPORTANT MULTILATERAL ASPECTS MUST BE KEPT IN MIND. WE BELIEVE THE OECD COUNTRIES WOULD GREATLY BENEFIT FROM A COMMON UNDERSTANDING OF WORLD STEEL PROBLEMS. WE THEREFORE PROPOSE THAT AN AD HOC GROUP TO EXAMINE THE STEEL SECTOR BE FORMED AND THAT THE SECRETARIAT CARRY OUT PREPARATORY STUDIES FOR THE USE OF THAT GROUP IN ITS WORK. WE WOULD EXPECT THAT THE SECRETARIAT STUDIES WOULD COVER PRODUCTION AND CONSUMPTION OF VARIOUS STEEL PRODUCTS IN THE OECD COUNTRIES, CAPACITY UTILIZATION, MARKETING POLICIES AND PRICE LEVELS BOTH ON DOMESTIC AND FOREIGN MARKETS. WE UNDERSTAND THAT STUDIES ALONG A SIMILAR LINE ARE ALREADY UNDERWAY IN THE SECRETARIAT AT THE DIRECTION OF SECRETARY GENERAL VAN LENNEP, SO THAT RESULTS SHOULD BE AVAILABLE BY THE END OF MAY. WE SUGGEST THAT MEMBERS WISHING TO PARTICIPATE IN THE AD HOC GROUP, IF UNABLE TO COMMIT THEMSELVES AT THIS TIME, INFORM THE SECRETARY GENERAL OF THEIR DESIRE TO JOIN THE GROUP WITHIN THE NEXT FEW DAYS. WE WOULD SUGGEST THAT THE FIRST MEETING OF THE GROUP TAKE PLACE UPON COMPLETION OF THE SECRETARIAT STUDIES. IF MEMBERS AGREE TERMS OF REFERENCE FOR THE GROUP COULD BE WORKED OUT IN CONSULTATIONS BETWEEN THE MEMBERS AND THE SECRETARY GENERAL WHILE AWAITING COMPLETION OF THE STUDIES. END TEXT.

3. EMBASSY TOKYO SHOULD INFORM JAPANESE THAT DURING US-EC BILATERAL CONSULTATIONS APRIL 20-21 THE EC COMMISSION AGREED TO FORMATION OF AN AD HOC GROUP AS PROPOSED ABOVE AND WE INCORPORATED EC'S SUGGESTION THAT FIRST MEETING OF SUCH A GROUP BE PRECEDED BY A LIMITED OFFICIAL USE

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SECRETARIAT STUDY. WE ALSO AGREED THAT THE US, EC AND JAPAN WOULD MEET TO WORK OUT THE TERMS OF REFERENCE FOR THE AD HOC GROUP.

4. JOURNAL OF COMMERCE OF WEDNESDAY, APRIL 27 REPORTED THAT US, EC, JAPAN WOULD SEEK AN OECD STUDY OF WORLD STEEL TRADE TO BE CONSIDERED BY AN AD HOC OECD GROUP. THE JOURNAL'S REPORT IS INCORRECT IN STATING THAT THE AD HOC GROUP WOULD BE RESPONSIBLE TO THE OECD'S TRADE COMMITTEE (OUR PREFERENCE IS FOR THE GROUP TO REPORT DIRECTLY TO THE COUNCIL).
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRY, ECONOMIC CONDITIONS, DIPLOMATIC DISCUSSIONS, STEELS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Format: TEL
From: STATE
Handling Restrictions: n/a
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Litigation History:
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
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Review Release Date: n/a
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Secure: OPEN
Status: NATIVE
Subject: STATEMENT FOR THE MAY 2 OECD COUNCIL MEETING: STEEL
TAGS: ETRD, JA, XX, EEC
To: EC BRUSSELS TOKYO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/a3ddc9a8-c288-dd11-92da-001cc4696bcc
Review Markings:
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